Restructuring of SFCs

2711. SHRI MURLI DEORA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Gupta Committee had recommended the capital restructuring of State Financial Corporations;

(b) whether Maharashtra Government had requested the Union Government in December, 2001 in this regard;

(c) if so, the facts thereof and the action taken thereon; and

(d) the reasons for delay and by when these financial corporations are proposed to be restructured?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) The Gupta Committee has made recommendations for restructuring of State Financial Corporations. The Maharashtra Government had requested GOI to accept these recommendations. However, as the State Governments are the main stakeholder in SFCs, they have been requested to take steps for improving the performance of SFCs.

Disparity on rebate to HBA

2712. SHRI KRIPAL PARMAR: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether there is a disparity on rebate being allowed on interest accruing on House Building Advance to the Central Government Employees who have taken BHA;

(b) whether the Central Government Employees who have taken HBA before 1999 are paying more than 11 per cent interest;

(c) whether the limit of rebate on interest, in their case for the purpose of calculating income tax has been fixed at Rs. 30,000/-whereas in the case of the Central Government employees who took HBA after 1999 has been fixed at Rs. 1.50 lakhs; and

(d) whether Government will rectify this disparity; if not, the reasons therefor?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) No rebate is allowable on interest accruing on HBA to the Central Government employees or any other similarly placed individuals. However, a deduction on account of interest accrued on HBA is allowable subject to the limits prescribed u/s 24(b) of the Income-tax Act, 1961.

(b) Central Government employees who have availed HBA in the slab of Rs. 5—7.5 lakhs before 1999 are liable to pay more than 11% interest, as per OM dated 16.12.1997, issued by Ministry of Urban Development.

(c) The deduction on account of interest payable on HBA and other housing loans, as per the IT Act is limited to Rs. 30,000/- for the loans taken before 1.4.99 and Rs. 1.50 lakhs, for the loans taken thereafter in respect of self occupied property.

(d) The monetary limit of interest allowance in respect of self occupied house property reflects the policy decisions of the Government approved by the Parliament *vide* Finance Acts. Monetary limits for various incentives/deductions under the Income-tax Act are modified taking into account the relevant economic circumstances prevailing at that time.

Project for reducing poverty

2713. SHRI K.B. KRISHNAMURTHY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Karnataka Government has sent Rs. 1,170 crore Community Heralded Empowerment Transformation and New Awakening Project (CHETNA) aimed to reduce poverty, if so, whether it has forwarded to the World Bank;

(b) if so, by when; and

(c) what is the present status of the above project?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) to (c) Yes, Sir. Community Heralded Empowerment Transformation and New Awakening Project (CHETNA) proposal sent by Government of Karnataka with an estimated total